

## ROUTING AND TRANSMITTAL SLIP

Date

20 NOV 1985

TO: (Name, office symbol, room number, building, Agency/Post)

1. ~~RETIREMENT AFFAIRS DIVISION~~  
~~906 ARMS BUILDING~~

2. *D/OP*

3. *D/OP*

4. *D/OP*

5. *D/OP*

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

EXECUTIVE SECRETARIAT  
ROUTING SLIP

TO:

	ACTION	INFO	DATE	INITIAL
1	DCI			
2	DDCI			
3	EXDIR			
4	D/ICS			
5	DDI			
6	DDA	X		
7	DDO			
8	DDS&T			
9	Chm/NIC			
10	GC			
11	IG			
12	Compt			
13	D/OLL			
14	D/PAO			
15	D/PERS			
16	VC/NIC			
17				
18				
19				
20				
21				
22				

SUSPENSE \_\_\_\_\_ Date \_\_\_\_\_

Remarks

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, office symbol, Agency/Post)

Room No.—Bldg.

Phone No.

FORM 41 (Rev. 7-76)

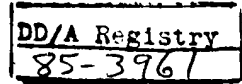
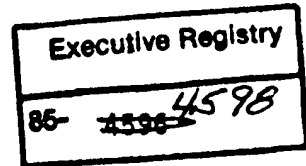
U.S.G.P.O. 1985-421-529/326

PPH (41) CPO 161-11.906

3637 (10-81)

Executive Secretary  
19 Nov 85  
Date

WELLINGTON FUND  
WINDSOR FUND  
IVEST FUND  
GEMINI FUND  
EXPLORER FUND  
W. L. MORGAN GROWTH FUND  
WELLESLEY INCOME FUND  
TRUSTEES' COMMINGLED FUND  
NAESS & THOMAS SPECIAL FUND, INC.  
VANGUARD QUALIFIED DIVIDEND PORTFOLIOS  
VANGUARD FIXED INCOME SECURITIES FUND  
VANGUARD INDEX TRUST  
VANGUARD MONEY MARKET TRUST  
VANGUARD MUNICIPAL BOND FUND  
VANGUARD SPECIALIZED PORTFOLIOS



Vanguard Marketing Corporation

THE **Vanguard** GROUP OF INVESTMENT COMPANIES

October 31, 1985

STAT

[Redacted]  
Executive Secretary  
CIA  
1820 N. Fort Meyer Drive  
Ames Building  
Roslyn, VA

Dear Mr. Beck:

As we discussed earlier, I am pleased to enclose information on Vanguard's new Guaranteed Contract Trust IX.

After reviewing this material, please don't hesitate to contact me with questions or need for more detail.

Best regards,

*L. Patrick Gardner*

L. Patrick Gardner  
Vanguard Marketing Corporation

/bay

Enclosure



VANGUARD  
GUARANTEED  
INVESTMENT  
CONTRACT  
TRUST IX

**Vanguard** **GIC** **Trust IX**

RR25  
1085

# Vanguard GIC Trust IX

## HIGHLIGHTS

### □ THE TRUST

Vanguard GIC Trust IX (the "Trust"), is a tax-exempt collective trust invested exclusively in a guaranteed investment contract issued to Vanguard Fiduciary Trust Company by John Hancock Mutual Life Insurance Company. The issuer is rated excellent (A+) by A. M. Best Company, the recognized authority for insurance company analysis. Principal of investments by the Trust, and the interest thereon, are guaranteed by John Hancock Mutual Life Insurance Company. Vanguard Fiduciary Trust Company does not guarantee either principal or interest on such investments.

### □ GUARANTEE OF INTEREST

John Hancock Mutual Life Insurance Company guarantees that all investments made by the Trust share in the effective annual rate of 9.58% established on October 1, 1985.

### □ GUARANTEE OF PRINCIPAL

John Hancock Mutual Life Insurance Company guarantees the principal of all investments by the Trust. As a result, each share will have a constant value of \$1.00.

### □ PLAN ELIGIBILITY

Qualified, participant-directed defined contribution plans and, with Vanguard's prior approval, pension plans may select the Trust as an investment option. A Plan's final acceptance into Vanguard GIC Trust IX is contingent upon acceptance by an officer of Vanguard Fiduciary Trust Company.

### □ HOW TO APPLY

- Plans with 500 or fewer participants must return the Authorization Form to Vanguard no later than December 31, 1985.
- Plans with 500 to 1,500 participants must return the Authorization Form to Vanguard no later than November 15, 1985.
- Plans with more than 1,500 participants and/or \$5,000,000 in existing, transferable plan assets may participate in the Trust only with the prior approval of the insurance carrier and Vanguard Fiduciary Trust Company.
- All Plans which have completed the Authorization Form must commence cash flow into the Trust by March 31, 1986.

### □ INTEREST CALCULATION

- All contributions received by the Trust between January 1, 1986, and December 31, 1986, will be credited an effective annual interest rate of 9.58% through December 31, 1988. Interest, which accrues daily and compounds monthly, is paid in additional shares. Plan contributions invested in the Trust will share in its guaranteed earnings. To illustrate, a contribution of \$1,000.00 on January 1, 1986 would purchase 1,000 shares. At expiration on December 31, 1988, the initial investment would be worth \$1,315.82. The interest earned will vary with the number of shares purchased and the length of time for which they are held.

### □ EXPIRATION

When the Trust expires on December 31, 1988, all principal and accrued interest will be available for reinvestment.

### □ PLAN CONTRIBUTIONS

Future Plan contributions may be allocated to the Trust as often as permitted by the Plan.

# Vanguard GIC Trust IX

## HIGHLIGHTS

### TRANSFERS INTO THE GIC

In addition to accepting Plan contributions from January 1, 1986, through December 31, 1986, new clients may transfer existing Plan assets into Vanguard GIC Trust IX *only* during the Plan's first participation month. After April 30, 1986, transfers will be accepted only with the prior approval of the insurance carrier and Vanguard Fiduciary Trust Company. Individual participant Rollover Contributions into Vanguard GIC Trust IX are subject to the approval of the insurance carrier and Vanguard Fiduciary Trust Company.

### EXCHANGES INTO THE GIC

A new Vanguard GIC Trust is offered to your Plan every twelve months. Plan participants may exchange existing assets into the Vanguard GIC Trust only during the first month of the Trust each year.

### EXCHANGES OUT OF THE GIC TRUST

If the Plan permits four, or fewer, investment exchanges per year. Trust shares may be exchanged at full accumulated value for shares of an equity option. At no time may Trust shares be exchanged for shares of another fixed income option. Assets exchanged out of the Trust must remain in the equity option a minimum of three months before the completion of another exchange transaction.

### MERGERS AND ACQUISITIONS

Contributions which result from the addition of participants due to a company merger, acquisition or any other event which would result in a significant increase in participants covered by the Plan, after the Plan's acceptance into the Trust, must be approved by the insurance carrier and Vanguard Fiduciary Trust Company.

### WITHDRAWALS

**Book Value Withdrawals** — Trust shares may be redeemed at their full accumulated value, or "book value," only in the following instances: withdrawals of after-tax monies and plan loans, authorized distributions for retirement, death, disability, separation from service, and financial hardship.

For partial withdrawals in which the Trust is one of several fixed income options, that portion which may be redeemed at full accumulated value is calculated as follows:

$$\frac{\% \text{ Available for Book Value Withdrawal}}{=} \frac{\text{Employee's Total GIC Trust(s) Assets}}{\text{Employee's Total Fixed Income Assets}}$$

Should more than one Vanguard GIC Trust be involved, *pro rata* withdrawals will be made from each, calculated as follows for each trust:

$$\frac{\% \text{ Available for Book Value Withdrawal}}{=} \frac{\text{Employee's GIC Trust IX Assets}}{\text{Employee's Total GIC Trust Assets}}$$

### ADMINISTRATION

As Trustee, Vanguard Fiduciary Trust Company must assure that the Trust operates according to the contract with John Hancock Mutual Life Insurance Company. Therefore, transfers to equity options or withdrawals will be processed as follows:

- Requests received by the third business day prior to month's end will be processed on the last business day of that month.
- Requests received after that deadline will be processed on the last business day of the following month.
- Requests from Master Accounts must be accompanied by the enclosed Master Account Withdrawal Form.
- In exceptional cases, a telephone request will be accepted from an authorized Plan representative if it can be confirmed in writing within five business days.